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# BONDED DEBT

## CONSERVING WATER

### FOR OUR FUTURE



*Before Conversion*



*After Conversion*

*The City of Chandler offers \$200 rebates for the installation of Xeriscape landscaping at a new residence or the conversion of turf area at an existing home. Call the Water Conservation Specialist at (480) 782-3580 for more information.*

## BONDED DEBT OBLIGATIONS

The City of Chandler, located approximately 25 miles southeast of Phoenix, has experienced unprecedented growth over the last twenty years. The 1985 mid-decade census for population was 63,855; the 1990-decade census was 89,862; the 1995 mid-decade census was 132,360; and the 2000 census population showed 176,581. Based on average monthly increases, Chandler's population is estimated to be 233,681 by fiscal year end 2004-05.

This extraordinary growth in turn creates a demand for infrastructure and capital projects. Citizens will need more parks, streets, water, sewer and solid waste facilities, to name a few. Financing these capital costs can be accomplished through various financing sources called "bonded debt". This includes general obligation bonds, revenue bonds, certificates of participation notes and municipal property corporation bonds.

In May 2003 the City of Chandler received a AAA rating from Fitch Ratings for General Obligation bonds; this is the highest possible bond rating. This AAA rating was achieved due to the City's stellar financial position, sound decision-making, low debt load and diverse economic base. Chandler is one of four cities in the five-state western region to obtain the AAA rating and one of 35 U.S. cities to receive this rating. Fitch has also awarded Chandler with a AA rating for Water and Sewer bonds and a AA- rating for the Street and Highway User Revenue Fund (HURF)bonds.

These high bond ratings measure Chandler's financial management and ability to repay outstanding debt. The higher the bond rating represents a lower investment risk for potential bond buyers and lower debt costs for the City and its citizens.

### Debt Management

Chandler's primary debt management objectives are to minimize the cost to taxpayers while assuring total indebtedness does not exceed available resources or Arizona legal requirements. The necessity to incur debt in order to finance the capital program carries with it the obligation to manage the debt program effectively. As a result, the level of outstanding debt and the City's capacity to incur and repay additional debt require careful examination.

During 2003-04, there were no bond sales or refunding. However, in May 2004, voters approved new bond authorization for future bond sales as shown in the chart below.

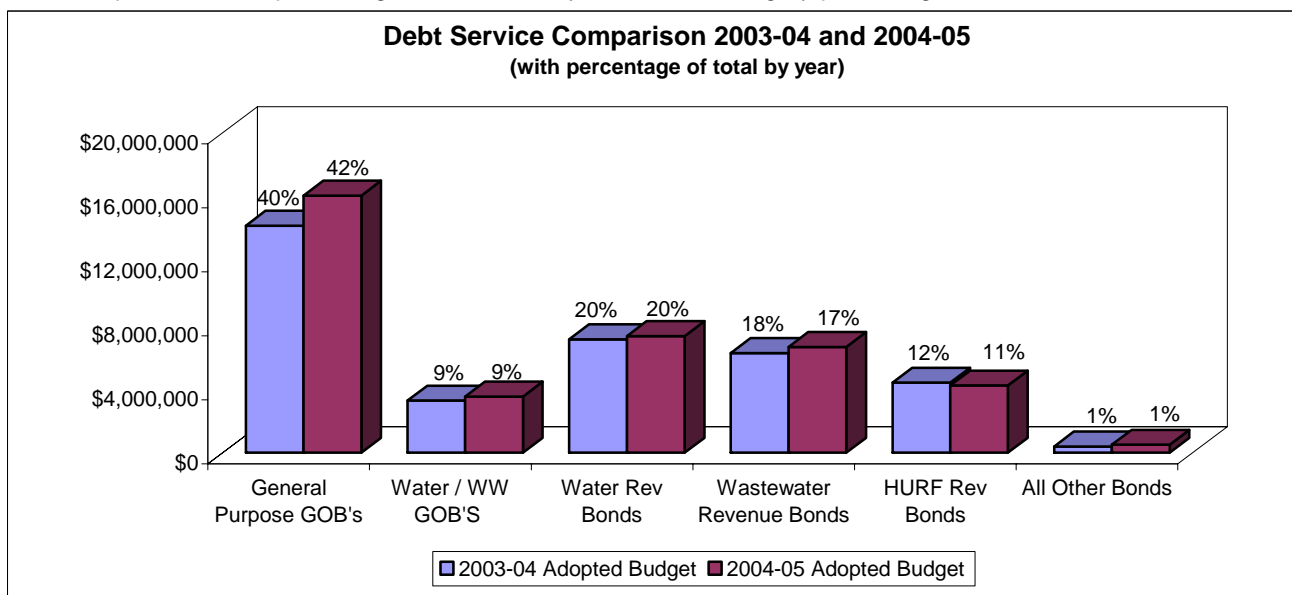
## VOTER AUTHORIZATION SUMMARY

Category	2003-04 Authorization	May-04 New Authorization	2003-04 TOTAL Authorization	2004-05 Proposed Bond Sales	Remaining Authorization
Water/Sewer	\$ 19,021,000	\$ 36,580,000	\$ 55,601,000	\$ 13,000,000	\$ 42,601,000
Effluent Reuse	23,435,000	-	23,435,000	-	23,435,000
Parks and Recreation	18,710,000	40,600,000	59,310,000	3,010,000	56,300,000
Museum	-	8,500,000	8,500,000	780,000	7,720,000
Streets General Obligation	-	59,095,000	59,095,000	11,825,000	47,270,000
Street Highway User Revenue	-	-	-	-	-
Storm Water Revenue\GOB	7,699,000	-	7,699,000	215,000	7,484,000
Public Safety/Police	3,945,000	4,360,000	8,305,000	40,000	8,265,000
Public Safety/Fire	355,000	4,580,000	4,935,000	1,050,000	3,885,000
Airport	695,000	-	695,000	5,000	690,000
Solid Waste	4,935,000	-	4,935,000	-	4,935,000
Computer and Phone Equipment	75,000	-	75,000	-	75,000
<b>TOTAL</b>	<b>\$ 78,870,000</b>	<b>\$ 153,715,000</b>	<b>\$ 232,585,000</b>	<b>\$ 29,925,000</b>	<b>\$ 202,660,000</b>

**FUNCTION:** Debt Service **COST CENTER:** 7500

Description	2002-03 Actual	2003-04 Adopted Budget	2003-04 Adjusted Budget	2003-04 Estimated	2004-05 Adopted	% Change Est. Exp to Adopted
General Purpose GOB's	\$ 10,907,797	\$ 14,191,006	\$ 14,191,006	\$ 13,789,651	\$ 16,072,771	16.56%
Water GOB's	2,283,534	2,960,993	2,960,993	2,458,091	3,158,243	28.48%
Wastewater GOB's	327,032	302,577	302,577	356,158	353,330	(0.79%)
Water Revenue Bonds	7,070,503	7,093,040	7,146,764	7,101,099	7,290,207	2.66%
Wastewater Revenue Bonds	5,799,073	6,225,199	6,535,769	6,354,298	6,609,402	4.01%
HURF Revenue Bonds	4,046,322	4,381,519	4,381,519	4,365,270	4,199,430	(3.80%)
All Other Bonds	1,357,764	392,455	392,455	393,441	505,169	28.40%
<b>Total Cost Center 7500</b>	<b>\$ 31,792,025</b>	<b>\$ 35,546,789</b>	<b>\$ 35,911,083</b>	<b>\$ 34,818,008</b>	<b>\$ 38,188,552</b>	<b>9.68%</b>
<b>General Fund</b>					<b>\$ 16,072,771</b>	
<b>Highway User Revenue Fund</b>					<b>4,199,430</b>	
<b>Water System Development Fund</b>					<b>62,978</b>	
<b>Water Operating Fund</b>					<b>9,980,874</b>	
<b>Reclaimed Water SDF</b>					<b>391,033</b>	
<b>Water Intel Debt Service Fund</b>					<b>404,598</b>	
<b>Wastewater System Dev Fund</b>					<b>364,074</b>	
<b>Wastewater Operating Fund</b>					<b>4,981,927</b>	
<b>WW Intel Debt Service Fund</b>					<b>1,225,698</b>	
<b>Solid Waste Operating Fund</b>					<b>436,257</b>	
<b>Airport Operating Fund</b>					<b>68,912</b>	
					<b>\$ 38,188,552</b>	

The fiscal year 2004-05 budget provides \$38,188,552 for debt as shown in the chart above by bond type and funding source. The appropriation includes \$34,928,404, for principal and interest on existing debt and estimated interest of \$3,260,148 for proposed bond sales in fiscal year 2004-05. The graph below provides summarized data of the debt service comparison of adopted budgets of two fiscal year and the category percentage of total debt.



The following pages present: a brief description of the various bond types; legal debt limitation requirements (if any); revenue sources that are used to repay the bonded debt; and schedules with the actual principal and interest due until the year 2020.

### GENERAL OBLIGATION BOND CAPACITY AVAILABLE

General obligation bonds, also referred to as GOB's, are used to finance a variety of public projects and require voter approval. These bonds are backed by the full faith and credit of the City. Limitations for bonding capacity are set by State statutes. The City's available bonding capacity for fiscal year 2004-05 is given below.

	20%	6%
Legal Bond Limit	\$ 361,149,760	\$ 108,344,928
Outstanding Bonded Debt Previously Issued	(76,415,000)	(41,525,000)
Proposed Bond Sales in Fiscal Year 2004-05	(3,120,000)	(13,695,000)
<b>BONDING CAPACITY AVAILABLE</b>	<b>\$ 281,614,760</b>	<b>\$ 53,124,928</b>

The 20% and 6% bonding capacity is based on an estimated secondary assessed value of \$1,805,748,802, a 10.2% increase from the fiscal year 2003-04 secondary assessed value of \$1,638,375,932. The State of Arizona uses the full cash (secondary) value of a property to compute secondary taxes, which are restricted to repay either the City's general bonded debt obligations, or for voter-approved budget overrides.

Under Arizona law, cities may issue general obligation bonds for water, wastewater, artificial light, acquisition and development of land for open space preserves, parks, playground, and recreation facilities up to an amount not exceeding 20% of secondary assessed value.

Cities may also issue general obligation bonds for all other purposes (e.g. library, streets, public safety) not included in the 20% debt margin category up to an amount not exceeding 6% of the secondary assessed value.

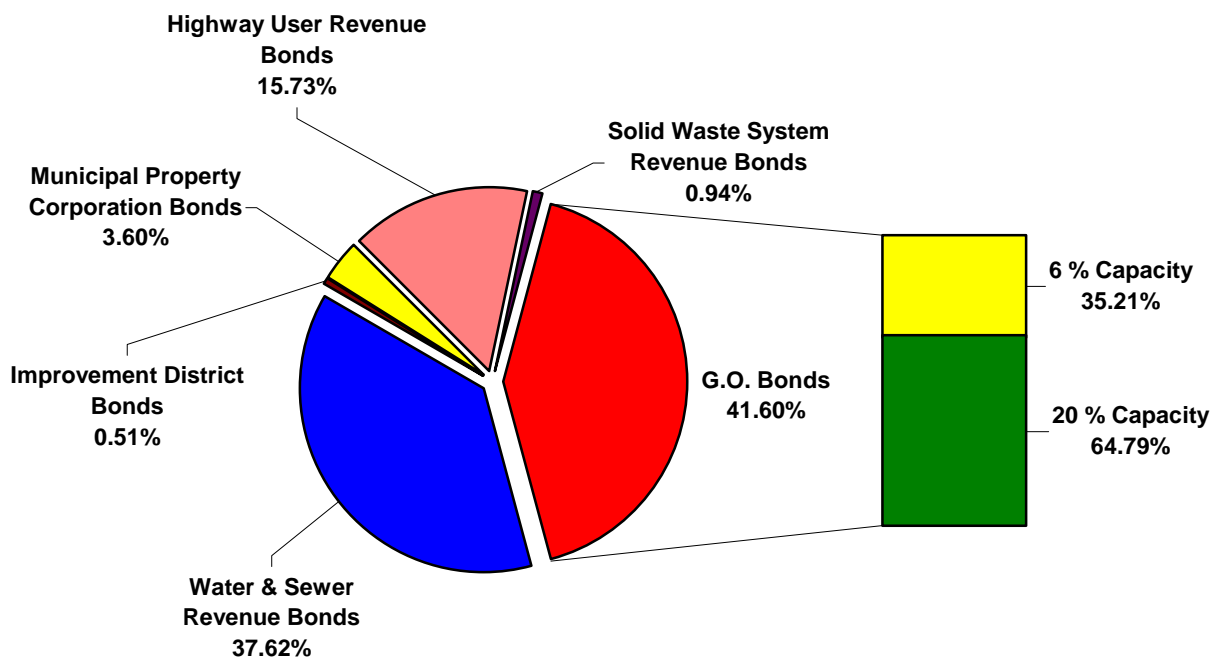
It is anticipated that \$16,815,000 general obligation bonds will be sold during 2004-05 in order to fund the following project categories.

Museum	\$ 780,000	
Streets	11,825,000	
Police	40,000	
Fire	1,050,000	
Subtotal 6% GOB		\$ 13,695,000
Parks	3,010,000	
Storm Water	110,000	
Subtotal 20% GOB		3,120,000
Grand Total		<u>\$ 16,815,000</u>

The following pages present a breakdown of the principal and interest payments for all City bond issues.

### SUMMARY OF OUTSTANDING BONDS BY TYPE

Type of Issue	Principal Bond Amount	% Total
<b>General Obligation Bonds (Combined)</b>		
6% Capacity	\$ 41,525,000	
20% Capacity	76,415,000	
<b>Total General Obligation Bonds</b>	<b>\$ 117,940,000</b>	<b>41.60%</b>
<b>Water &amp; Sewer Revenue Bonds</b>	<b>106,675,000</b>	<b>37.62%</b>
<b>Highway User Revenue Bonds</b>	<b>44,590,000</b>	<b>15.73%</b>
<b>Municipal Property Corporation Bonds</b>	<b>10,210,000</b>	<b>3.60%</b>
<b>Solid Waste System Revenue Bonds</b>	<b>2,675,000</b>	<b>0.94%</b>
<b>Improvement District Bonds</b>	<b>1,443,000</b>	<b>0.51%</b>
<b>Total</b>	<b>\$ 283,533,000</b>	<b>100.00%</b>



**ANNUAL BOND OBLIGATION FOR ALL  
EXISTING BOND ISSUES**

<b><i>Maturity Date <sup>(1)</sup></i></b>	<b><i>Bonds Payable</i></b>	<b><i>Interest Payable</i></b>	<b><i>Fiscal Total</i></b>
July 1, 2005	18,799,500	16,128,904	34,928,404
July 1, 2006	18,139,500	15,621,589	33,761,089
July 1, 2007	18,719,500	15,090,712	33,810,212
July 1, 2008	19,259,500	14,553,645	33,813,145
July 1, 2009	21,445,000	11,431,691	32,876,691
July 1, 2010	23,530,000	9,040,119	32,570,119
July 1, 2011	21,390,000	7,903,386	29,293,386
July 1, 2012	21,015,000	6,870,223	27,885,223
July 1, 2013	25,630,000	5,867,040	31,497,040
July 1, 2014	21,925,000	4,643,626	26,568,626
July 1, 2015	22,905,000	3,532,580	26,437,580
July 1, 2016	20,925,000	2,401,519	23,326,519
July 1, 2017	15,440,000	1,401,619	16,841,619
July 1, 2018	7,670,000	667,600	8,337,600
July 1, 2019	5,835,000	309,750	6,144,750
July 1, 2020	905,000	45,250	950,250
<b>TOTAL</b>	<b>\$ 283,533,000</b>	<b>\$ 115,509,253</b>	<b>\$ 399,042,253</b>

	<b><i>Year</i></b>	<b><i>Principal</i></b>	<b><i>Interest</i></b>	<b><i>Fiscal Total</i></b>
This Year's Requirement	2005 \$	18,799,500	\$ 16,128,904	\$ 34,928,404
Maximum Requirement	2005	18,799,500	16,128,904	34,928,404

<sup>(1)</sup> Actual Payments are made one day prior to maturity date.



## SCHEDULE OF TOTAL OUTSTANDING DEBT

	Original	Outstanding	2004-05		
	Issue	7/1/2004	Principal	Interest	Payment
Revenue Bonds					
Highway User Revenue:					
Series 1991	6,130,000	855,000	855,000	78,019	933,019
Series 1993	2,500,000	800,000	0	48,000	48,000
Series 1994	5,750,000	1,100,000	0	88,000	88,000
Series 1996	6,550,000	5,275,000	225,000	271,331	496,331
Series 1996B	1,250,000	1,250,000	0	72,975	72,975
Series 1997	5,280,000	5,105,000	25,000	282,200	307,200
Series 1998	5,715,000	4,525,000	250,000	217,100	467,100
Series 1999	3,300,000	2,525,000	150,000	111,750	261,750
Series 2000	2,250,000	1,875,000	100,000	106,650	206,650
Series 2001	6,830,000	5,740,000	250,000	264,236	514,236
Refunding Series 2002	10,540,000	10,540,000	240,000	359,169	599,169
Series 2003	5,000,000	5,000,000	0	205,000	205,000
	61,095,000	44,590,000	2,095,000	2,104,430	4,199,430
Water:					
Series 1994	5,150,000	2,105,000	0	168,400	168,400
Series 1996	16,890,000	400,000	0	29,000	29,000
Refunding Series 1997	7,770,000	4,195,000	40,000	222,881	262,881
Series 1998	10,330,000	2,960,000	145,000	151,113	296,113
Series 1999	5,985,000	5,435,000	300,000	243,540	543,540
Series 2000	3,000,000	1,062,500	62,500	59,131	121,631
Series 2001	12,500,000	2,238,840	108,000	103,158	211,158
Refunding Series 2001	26,145,000	17,662,568	2,432,336	792,814	3,225,150
Refunding Series 2002	10,970,000	8,514,000	297,000	371,157	668,157
Refunding Series 2003	17,830,000	8,115,000	495,000	335,485	830,485
Series 2003	10,000,000	9,850,000	200,000	329,094	529,094
	126,570,000	62,537,908	4,079,836	2,805,772	6,885,608
Sewer:					
Series 1994	5,150,000	45,000	0	3,600	3,600
Series 1996	16,890,000	990,000	0	71,775	71,775
Refunding Series 1997	7,770,000	2,975,000	35,000	157,919	192,919
Series 1998	10,330,000	7,040,000	355,000	359,700	714,700
Series 2000	3,000,000	1,062,500	62,500	59,131	121,631
Series 2001	12,500,000	8,126,160	392,000	374,424	766,424
Refunding Series 2001	26,145,000	2,742,432	377,664	123,099	500,763
Jr. Lien, Series 2002	13,525,000	10,185,000	1,560,000	366,320	1,926,320
Refunding Series 2002	10,970,000	1,806,000	63,000	78,730	141,730
Refunding Series 2003	17,830,000	9,165,000	565,000	378,843	943,843
	124,110,000	44,137,092	3,410,164	1,973,540	5,383,704
Solid Waste:					
Series 1996	1,700,000	1,275,000	75,000	70,688	145,688
Series 1998	1,700,000	1,400,000	75,000	73,000	148,000
	3,400,000	2,675,000	150,000	143,688	293,688
Total Revenue Bonds	315,175,000	153,940,000	9,735,000	7,027,430	16,762,430

## SCHEDULE OF TOTAL OUTSTANDING DEBT

	Original Issue	Outstanding 7/1/2003	2004-05		
			Principal	Interest	Payment
General Obligation Bonds					
General & Utility Funds:					
Refunding Series 1992	25,285,000	9,070,000	2,350,000	3,350,000	5,700,000
GO Series 1993	9,850,000	2,275,000	100,000	167,781	267,781
GO Series 1994	8,275,000	1,450,000	0	116,000	116,000
GO Series 1996	6,650,000	1,075,000	150,000	70,063	220,063
GO Series 1996B	8,205,000	1,905,000	0	137,838	137,838
Refunding Series 1997	9,730,000	6,605,000	125,000	332,781	457,781
GO Series 1998	3,590,000	2,925,000	175,000	142,381	317,381
GO Series 1999	6,950,000	6,950,000	0	332,394	332,394
GO Series 2000	8,520,000	8,520,000	0	498,138	498,138
GO Series 2001	8,040,000	8,040,000	0	387,409	387,409
Refunding Series 2001	17,225,000	13,410,000	1,855,000	601,900	2,456,900
GO Series 2002	23,000,000	19,275,000	825,000	853,750	1,678,750
GO Series 2003	21,375,000	20,175,000	2,500,000	588,469	3,088,469
Refunding Series 2003	16,265,000	16,265,000	0	701,044	701,044
Total General Obligation Bonds	172,960,000	117,940,000	8,080,000	8,279,946	16,359,946
Municipal Property Corporation:					
Series 1995	20,150,000	10,210,000	875,000	755,295	1,630,295
Total Municipal Property Corporation	20,150,000	10,210,000	875,000	755,295	1,630,295
Improvement District Bonds:					
Series 1997 - ID No. 88	145,000	38,000	9,500	1,870	11,370
Series 1999 - ID No. 89	1,760,000	1,405,000	100,000	64,363	164,363
Total Improvement District Bonds	1,905,000	1,443,000	109,500	66,233	175,733
Total Bonded Debt	510,190,000	283,533,000	18,799,500	16,128,904	34,928,404



**COMBINED GENERAL OBLIGATION BONDS  
6% CAPACITY PORTION OUTSTANDING**

<b><i>Maturity Date<sup>(1)</sup></i></b>	<b><i>Bonds Payable</i></b>	<b><i>Interest Payable</i></b>	<b><i>Fiscal Total</i></b>
July 1, 2005	3,875,000	1,792,361	5,667,361
July 1, 2006	2,400,000	1,678,205	4,078,205
July 1, 2007	2,525,000	1,596,268	4,121,268
July 1, 2008	2,550,000	1,509,155	4,059,155
July 1, 2009	5,120,000	1,414,093	6,534,093
July 1, 2010	7,060,000	1,140,679	8,200,679
July 1, 2011	5,370,000	777,854	6,147,854
July 1, 2012	4,340,000	550,684	4,890,684
July 1, 2013	5,865,000	356,965	6,221,965
July 1, 2014	1,155,000	96,995	1,251,995
July 1, 2015	295,000	56,771	351,771
July 1, 2016	310,000	42,906	352,906
July 1, 2017	325,000	28,956	353,956
July 1, 2018	335,000	14,656	349,656
<b>TOTAL</b>	<b>\$ 41,525,000</b>	<b>\$ 11,056,548</b>	<b>\$ 52,581,548</b>

	<b><i>Year</i></b>	<b><i>Principal</i></b>	<b><i>Interest</i></b>	<b><i>Fiscal Total</i></b>
This Year's Requirement	2005	\$ 3,875,000	\$ 1,792,361	\$ 5,667,361
Maximum Requirement	2010	7,060,000	1,140,679	8,200,679

<sup>(1)</sup> Actual Payments are made one day prior to maturity date.

**COMBINED GENERAL OBLIGATION BONDS  
20% CAPACITY PORTION OUTSTANDING**

<i><b>Maturity Date <sup>(1)</sup></b></i>	<i><b>Bonds Payable</b></i>	<i><b>Interest Payable</b></i>	<i><b>Fiscal Total</b></i>
July 1, 2005	4,205,000	6,487,585	10,692,585
July 1, 2006	4,105,000	6,588,748	10,693,748
July 1, 2007	4,065,000	6,621,673	10,686,673
July 1, 2008	3,995,000	6,680,998	10,675,998
July 1, 2009	3,110,000	4,191,960	7,301,960
July 1, 2010	2,635,000	2,672,905	5,307,905
July 1, 2011	3,435,000	2,542,568	5,977,568
July 1, 2012	3,545,000	2,374,208	5,919,208
July 1, 2013	6,640,000	2,199,221	8,839,221
July 1, 2014	8,185,000	1,893,529	10,078,529
July 1, 2015	9,400,000	1,526,378	10,926,378
July 1, 2016	7,680,000	1,071,418	8,751,418
July 1, 2017	6,660,000	734,313	7,394,313
July 1, 2018	4,070,000	436,219	4,506,219
July 1, 2019	3,780,000	229,500	4,009,500
July 1, 2020	905,000	45,250	950,250
<b>TOTAL</b>	<b>\$ 76,415,000</b>	<b>\$ 46,296,469</b>	<b>\$ 122,711,469</b>

	<i><b>Year</b></i>	<i><b>Principal</b></i>	<i><b>Interest</b></i>	<i><b>Fiscal Total</b></i>
This Year's Requirement	2005 \$	4,205,000	\$ 6,487,585	\$ 10,692,585
Maximum Requirement	2015	9,400,000	1,526,378	10,926,378

<sup>(1)</sup> Actual Payments are made one day prior to maturity date.

**COMBINED GENERAL OBLIGATION BONDS  
ENTERPRISE SUPPORTED**

<b><i>Maturity Date <sup>(1)</sup></i></b>	<b><i>Bonds Payable</i></b>	<b><i>Interest Payable</i></b>	<b><i>Fiscal Total</i></b>
July 1, 2005	1,955,000	981,719	2,936,719
July 1, 2006	2,035,000	895,506	2,930,506
July 1, 2007	2,115,000	801,056	2,916,056
July 1, 2008	2,195,000	703,006	2,898,006
July 1, 2009	2,305,000	606,594	2,911,594
July 1, 2010	2,430,000	499,275	2,929,275
July 1, 2011	1,040,000	386,650	1,426,650
July 1, 2012	0	337,250	337,250
July 1, 2013	2,225,000	337,250	2,562,250
July 1, 2014	2,580,000	248,250	2,828,250
July 1, 2015	2,385,000	119,250	2,504,250
<b>TOTAL</b>	<b>\$ 21,265,000</b>	<b>\$ 5,915,806</b>	<b>\$ 27,180,806</b>

	<b><i>Year</i></b>	<b><i>Principal</i></b>	<b><i>Interest</i></b>	<b><i>Fiscal Total</i></b>
This Year's Requirement	2005 \$	1,955,000	\$ 981,719	\$ 2,936,719
Maximum Requirement	2005	1,955,000	981,719	\$ 2,936,719

<sup>(1)</sup> Actual Payments are made one day prior to maturity date.

**COMBINED GENERAL OBLIGATION BONDS  
AD VALOREM SUPPORTED**

<i><b>Maturity Date <sup>(1)</sup></b></i>	<i><b>Bonds Payable</b></i>	<i><b>Interest Payable</b></i>	<i><b>Fiscal Total</b></i>
July 1, 2005	6,125,000	7,298,228	13,423,228
July 1, 2006	4,470,000	7,371,446	11,841,446
July 1, 2007	4,475,000	7,416,884	11,891,884
July 1, 2008	4,350,000	7,487,146	11,837,146
July 1, 2009	5,925,000	4,999,459	10,924,459
July 1, 2010	7,265,000	3,314,309	10,579,309
July 1, 2011	7,765,000	2,933,771	10,698,771
July 1, 2012	7,885,000	2,587,641	10,472,641
July 1, 2013	10,280,000	2,218,936	12,498,936
July 1, 2014	6,760,000	1,742,274	8,502,274
July 1, 2015	7,310,000	1,463,899	8,773,899
July 1, 2016	7,990,000	1,114,324	9,104,324
July 1, 2017	6,985,000	763,269	7,748,269
July 1, 2018	4,405,000	450,875	4,855,875
July 1, 2019	3,780,000	229,500	4,009,500
July 1, 2020	905,000	45,250	950,250
<b>TOTAL</b>	<b>\$ 96,675,000</b>	<b>\$ 51,437,211</b>	<b>\$ 148,112,211</b>

	<i><b>Year</b></i>	<i><b>Principal</b></i>	<i><b>Interest</b></i>	<i><b>Fiscal Total</b></i>
This Year's Requirement	2005 \$	6,125,000	\$ 7,298,228	\$ 13,423,228
Maximum Requirement	2005	6,125,000	7,298,228	\$ 13,423,228

<sup>(1)</sup> Actual Payments are made one day prior to maturity date.

## WATER AND SEWER REVENUE BONDS

Revenue bonds are payable from a specific source of revenue and do not affect the property tax rate. Pledged revenue may be derived from operations, grants, and excise or other specified revenue source. Currently, all proceeds from the sale of these bonds are used to improve and extend the existing municipal water and wastewater systems. This includes the construction or improvement of transmission lines, wells, storage, and pumping facilities. Funds are also used to acquire, improve and install wastewater treatment and effluent reuse facilities.

The City has established a coverage ratio of 1:2 for water and sewer revenue bonds. Therefore, the utility operating revenues need to exceed the maximum annual water and sewer revenue bond debt service cost by a 1:2 ratio. The annual debt service payment is paid from water and sewer use fees or system development fees.

## COMBINED WATER AND SEWER REVENUE BONDS OUTSTANDING

<i><b>Maturity Date<sup>(1)</sup></b></i>	<i><b>Bonds Payable</b></i>	<i><b>Interest Payable</b></i>	<i><b>Fiscal Total</b></i>
July 1, 2005	7,490,000	4,779,313	12,269,313
July 1, 2006	7,775,000	4,497,450	12,272,450
July 1, 2007	8,095,000	4,196,118	12,291,118
July 1, 2008	8,430,000	3,878,280	12,308,280
July 1, 2009	8,775,000	3,548,905	12,323,905
July 1, 2010	9,160,000	3,169,468	12,329,468
July 1, 2011	7,625,000	2,763,330	10,388,330
July 1, 2012	7,855,000	2,449,553	10,304,553
July 1, 2013	8,145,000	2,111,718	10,256,718
July 1, 2014	8,390,000	1,726,936	10,116,936
July 1, 2015	8,785,000	1,240,509	10,025,509
July 1, 2016	9,320,000	798,484	10,118,484
July 2, 2017	5,785,000	335,119	6,120,119
July 1, 2018	1,045,000	47,025	1,092,025
<b>TOTAL<sup>(2)</sup></b>	<b>\$ 106,675,000</b>	<b>\$ 35,542,205</b>	<b>\$ 142,217,205</b>

	<i><b>Year</b></i>	<i><b>Principal</b></i>	<i><b>Interest</b></i>	<i><b>Fiscal Total</b></i>
This Year's Requirement	2005	\$ 7,490,000	\$ 4,779,313	\$ 12,269,313
Maximum Requirement	2010	9,160,000	3,169,468	12,329,468

<sup>(1)</sup> Actual Payments are made one day prior to maturity date.

<sup>(2)</sup> Total includes principal and interest payments on Series 2002 Subordinate Lien Water & Sewer Revenue Bonds.

## SOLID WASTE REVENUE BONDS

These revenue bonds are payable from a specific source of revenue and do not affect the property tax rate. Bond proceeds are used to improve the City's solid waste collection, treatment and recycling, waste transfer, waste reduction, and landfill systems.

Bonds are payable primarily from a monthly residential collection fee. Although commercial waste can be delivered to the landfill, payment of principal and interest are not dependent on strong tipping fee collections.

## SOLID WASTE REVENUES BONDS OUTSTANDING

<i><b>Maturity Date <sup>(1)</sup></b></i>	<i><b>Bonds Payable</b></i>	<i><b>Interest Payable</b></i>	<i><b>Fiscal Total</b></i>
July 1, 2005	150,000	143,688	293,688
July 1, 2006	150,000	133,281	283,281
July 1, 2007	150,000	123,906	273,906
July 1, 2008	175,000	115,188	290,188
July 1, 2009	175,000	106,063	281,063
July 1, 2010	200,000	96,938	296,938
July 1, 2011	200,000	86,563	286,563
July 1, 2012	225,000	76,188	301,188
July 1, 2013	225,000	64,469	289,469
July 1, 2014	225,000	52,750	277,750
July 1, 2015	250,000	41,031	291,031
July 1, 2016	275,000	28,063	303,063
July 1, 2017	275,000	13,750	288,750
<b>TOTAL</b>	<b>\$ 2,675,000</b>	<b>\$ 1,081,875</b>	<b>\$ 3,756,875</b>

	<i><b>Year</b></i>	<i><b>Principal</b></i>	<i><b>Interest</b></i>	<i><b>Fiscal Total</b></i>
This Year's Requirement	2005	\$ 150,000	\$ 143,688	\$ 293,688
Maximum Requirement	2016	275,000	28,063	303,063

<sup>(1)</sup> Actual Payments are made one day prior to maturity date.

## STREET AND HIGHWAY USER REVENUE BONDS

This type of revenue bond is used solely for street and highway improvements. The proceeds from the sale of these bonds are used for the purpose of improving, constructing and reconstructing the major streets, arterial collectors and local streets within the City.

The limitation imposed by State law requires that the maximum amount of highway users revenue used for debt servicing of revenue bonds shall not exceed 50% of the revenue from that source for the past twelve month period. The annual debt service is paid from Highway User Revenue Taxes collected by the state and distributed to all Arizona cities and towns.

## STREET AND HIGHWAY USER REVENUE BONDS OUTSTANDING

<i><b>Maturity Date <sup>(1)</sup></b></i>	<i><b>Bonds Payable</b></i>	<i><b>Interest Payable</b></i>	<i><b>Fiscal Total</b></i>
July 1, 2005	2,095,000	2,104,430	4,199,430
July 1, 2006	2,645,000	1,969,030	4,614,030
July 1, 2007	2,740,000	1,872,389	4,612,389
July 1, 2008	2,885,000	1,769,856	4,654,856
July 1, 2009	2,970,000	1,656,101	4,626,101
July 1, 2010	3,100,000	1,536,566	4,636,566
July 1, 2011	3,250,000	1,406,309	4,656,309
July 1, 2012	3,435,000	1,205,234	4,640,234
July 1, 2013	3,625,000	1,040,654	4,665,654
July 1, 2014	3,820,000	862,254	4,682,254
July 1, 2015	4,015,000	664,091	4,679,091
July 1, 2016	3,340,000	460,649	3,800,649
July 1, 2017	2,395,000	289,481	2,684,481
July 1, 2018	2,220,000	169,700	2,389,700
July 1, 2019	2,055,000	80,250	2,135,250
<b>TOTAL</b>	<b>\$ 44,590,000</b>	<b>\$ 17,086,994</b>	<b>\$ 61,676,994</b>

	<i><b>Year</b></i>	<i><b>Principal</b></i>	<i><b>Interest</b></i>	<i><b>Fiscal Total</b></i>
This Year's Requirement	2005	\$ 2,095,000	\$ 2,104,430	\$ 4,199,430
Maximum Requirement	2014	3,820,000	862,254	4,682,254

<sup>(1)</sup> Actual Payments are made one day prior to maturity date.



## MUNICIPAL PROPERTY CORPORATION BONDS

Municipal Property Corporation (MPC) bonds are a mechanism used to finance capital improvements over a number of years. Unlike other City bond issuances, MPC bonds do not require voter authorization. The City of Chandler has pledged anticipated future revenues for redemption of MPC debt.

In 1995, Municipal Property Corporation Certificates of Participation were issued in the amount of \$20,150,000 for the purpose of providing water and sewer service to accommodate the Intel FAB12 expansion. These bonds also do not require voter authorization. For fiscal year 2003-04, \$11,035,000 in principal is outstanding along with interest payments of \$4,856,000. Water and sewer user fees, generated primarily by Intel, are pledged for bond redemption rather than excise taxes.

## MUNICIPAL PROPERTY CORPORATION COMBINED BOND ISSUES

<i><b>Maturity Date <sup>(1)</sup></b></i>	<i><b>Bonds Payable</b></i>	<i><b>Interest Payable</b></i>	<i><b>Fiscal Total</b></i>
July 1, 2005	875,000	755,295	1,630,295
July 1, 2006	950,000	694,045	1,644,045
July 1, 2007	1,025,000	625,170	1,650,170
July 1, 2008	1,100,000	550,858	1,650,858
July 1, 2009	1,175,000	471,108	1,646,108
July 1, 2010	1,250,000	385,920	1,635,920
July 1, 2011	1,375,000	295,295	1,670,295
July 1, 2012	1,475,000	189,420	1,664,420
July 1, 2013	985,000	75,845	1,060,845
<b>TOTAL</b>	<b>\$ 10,210,000</b>	<b>\$ 4,042,955</b>	<b>\$ 14,252,955</b>

	<i><b>Year</b></i>	<i><b>Principal</b></i>	<i><b>Interest</b></i>	<i><b>Fiscal Total</b></i>
This Year's Requirement	2005	\$ 875,000	\$ 755,295	\$ 1,630,295
Maximum Requirement	2011	1,375,000	295,295	1,670,295

<sup>(1)</sup> Actual Payments are made one day prior to maturity date.

## IMPROVEMENT DISTRICT BONDS

Improvement Districts are generally formed only by property owners in designated areas within the City in which they must agree to be assessed for the repayment of the costs of constructing improvements, which benefit the owner's property. Improvement District bonds are secured by a lien on the property and improvements of all parcels of each district. Improvement District bonds are typically issued to finance local streets and water or sewer improvements.

There is no statutory debt limit or legal limit to the amount of improvement district bonds that may be issued.

## IMPROVEMENT DISTRICT BONDS OUTSTANDING

<i><b>Maturity Date <sup>(1)</sup></b></i>	<i><b>Bonds Payable</b></i>	<i><b>Interest Payable</b></i>	<i><b>Fiscal Total</b></i>
July 1, 2005	109,500	66,233	175,733
July 1, 2006	114,500	60,830	175,330
July 1, 2007	119,500	55,189	174,689
July 1, 2008	124,500	49,311	173,811
July 1, 2009	120,000	43,463	163,463
July 1, 2010	125,000	37,644	162,644
July 1, 2011	135,000	31,469	166,469
July 1, 2012	140,000	24,938	164,938
July 1, 2013	145,000	18,169	163,169
July 1, 2014	150,000	11,163	161,163
July 1, 2015	160,000	3,800	163,800
<b>TOTAL</b>	<b>\$ 1,443,000</b>	<b>\$ 402,206</b>	<b>\$ 1,845,206</b>

	<i><b>Year</b></i>	<i><b>Principal</b></i>	<i><b>Interest</b></i>	<i><b>Fiscal Total</b></i>
This Year's Requirement	2005	\$ 109,500	\$ 66,233	\$ 175,733
Maximum Requirement	2005	109,500	66,233	175,733

<sup>(1)</sup> Actual Payments are made one day prior to maturity date.